

ESTTA Tracking number: **ESTTA1116691**

Filing date: **02/25/2021**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91265309
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Date	02/25/2021
Attachments	2021-02-25 Opposer John Zox Motion to Dismiss Counterclaim - 91265309.pdf(205040 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

JOHN ZOX,

Opposer,

v.

ZOX LLC,

Applicant.

Opposition No. 91265309

Application Serial No. 88/582,432

Mark: ZOXLIST

OPPOSER’S COMBINED MOTION TO DISMISS AND MOTION TO SUSPEND

Opposer John Zox (“Opposer”) moves to dismiss Applicant ZOX, LLC’s (“Applicant”) Counterclaim Petition to Cancel (“Petition”) (Dkt. No. 5) Registration No. 5,268,843 (the “’843 Registration”) as duplicative of two other pending proceeding before the Board between the same parties or anyone in privity therewith. The ’843 Registration is already the subject of practically identical petitions to cancel in Cancellation No. 92074323 (the “’323 Proceeding”) and Cancellation No. 91265525 (the “’525 Proceeding”) brought by Applicant against Opposer and parties in privity with Opposer. Simply put, Applicant’s Petition seeks a third bite at the apple in trying to again cancel the ’843 Registration and should be dismissed on those grounds alone.

In the alternative, Opposer also moves to dismiss Applicant’s claim for fraud on the U.S. Patent and Trademark Office pursuant to Federal Rule of Civil Procedure 12(b)(6) for failure to state a claim upon which relief can be granted. Specifically, Applicant has failed to plead an intent to deceive and other particular facts, as required to state a claim for fraud under Federal Rule of Civil Procedure 9(b) and *In re Bose Corp.*, 91 USPQ2d 1938 (Fed. Cir. 2009). For these

reasons, and those stated below, Applicant's fraud claim should be dismissed under Federal Rule of Civil Procedure 12(b)(6).¹

Finally, Opposer moves to suspend all proceedings pending disposition of this potentially dispositive motion.

I. BACKGROUND

The '843 Registration is presently the subject of *three* cancellation proceedings before the Board brought by Applicant against Opposer and parties in privity with Opposer. In the first proceeding, the '323 Proceeding, on May 26, 2020, Applicant filed a Petition to Cancel (the "'323 Petition") against the '843 Registration, co-owned by Opposer John Zox and Opposer's brothers, Daniel Zox and Andrew Zox (collectively, "Registrants"), for the mark ZOX covering goods in Class 9 and services in Class 41. The '323 Petition sets forth three independent counts for cancellation, namely: (i) priority and likelihood of confusion under Section 2(d) of the Trademark Act; (ii) abandonment; and (iii) fraud on the U.S. Patent and Trademark Office ("USPTO").

In the second, instant proceeding, on October 13, 2020, Opposer filed a Notice of Opposition against Applicant's Application Serial No. 88/582,432 for ZOXLIST. On November 23, 2020, Applicant filed an Answer and Counterclaim Petition to Cancel against the '843 Registration for the mark ZOX covering the same goods in Class 9 and services in Class 41 against the same Registrants. The Petition sets forth the same three independent counts for

¹ The Board has already granted a motion to dismiss Applicant's practically word-for-word identical fraud claim in the '323 Proceeding. *See* '323 Proceeding Op. (Dkt. No. 14) at 5-9. Thus, the Board should again dismiss the fraud claim in the instant proceeding on the same grounds. Additionally, Opposer's motion to dismiss Applicant's practically word-for-word identical fraud claim in the '525 Proceeding has been fully briefed. *See* '525 Proceeding Motion, Opposition, and Reply briefs (Dkt. Nos. 8, 10, 11). Opposer's motion and reply briefs are incorporated by reference herein in their entirety.

cancellation as in the '323 Petition: (i) priority and likelihood of confusion under Section 2(d) of the Trademark Act; (ii) abandonment; and (iii) fraud on the USPTO. The Petition is practically word-for-word identical to the '323 Petition.

In the third proceeding, the '525 Proceeding, on October 20, 2020, Opposer filed a Notice of Opposition against Applicant's Application Serial No. 88/829,957 for ZOX (Stylized). There too on November 23, 2020, Applicant filed an Answer and Counterclaim Petition to Cancel (the "'525 Petition") against the '843 Registration for the mark ZOX covering the same goods in Class 9 and services in Class 41 against the same Registrants. The '525 Petition is identical to the Petition in the instant proceeding, and sets forth the same three independent counts for cancellation as in the '323 Petition.

In neither the instant proceeding nor the '525 Proceeding did Applicant notify the Board of the same claims before the Board in the '323 Proceeding.

Opposer now timely files this motion to dismiss and motion to suspend.

II. APPLICANT'S PETITION TO CANCEL SHOULD BE DISMISSED AS DUPLICATIVE

Opposer moves to dismiss Applicant's Petition to Cancel the '843 Registration as duplicative of the '323 Proceeding where it is already the subject of a pending practically identical petition to cancel on the same grounds. Under Board Rules, "[a] counterclaim *need not be filed* if the claim is the subject of another proceeding between the same parties or anyone in privity therewith; *but the party in position of respondent and counterclaim plaintiff must promptly inform the Board, in the context of the primary cancellation proceeding, of the filing of the other proceeding.*" 37 C.F.R. § 2.114(b)(3)(i) (emphasis added).

Here, both Opposer and Applicant are parties to both proceedings. While Daniel Zox and Andrew Zox are only party to the '323 Proceeding, they are brothers of, and co-owners with,

Opposer of the '843 Registration sought to be canceled in both proceedings, and thus in privity with Opposer.

While Applicant's counterclaim to cancel the '843 Registration was compulsory to raise in the '323 Proceeding, it "need not be filed," *id.*, and in fact, ***should not*** be filed in subsequent proceedings. Rather, Applicant had a duty to promptly inform the Board of the '323 Proceeding and failed to do so. "[T]he party in position of respondent and counterclaim plaintiff ***must*** promptly inform the Board, in the context of the primary cancellation proceeding, of the filing of the other proceeding." *Id.* (emphasis added).

By bringing the identical claim in the instant proceeding and failing to inform the Board of its identical claim in another proceeding, Applicant is clearly surreptitiously seeking multiple opportunities to cancel the '843 Registration without basis to do so. Applicant's duplicate claims should therefore be dismissed on those grounds alone.²

III. APPLICANT'S CLAIM FOR FRAUD SHOULD BE DISMISSED FOR FAILURE TO STATE A CLAIM UPON WHICH RELIEF CAN BE GRANTED

A motion to dismiss for failure to state a claim upon which relief can be granted tests the legal sufficiency of a complaint. *See* Fed. R. Civ. P. 12(b)(6). To withstand such a motion, a pleading must allege such facts as would, if proven, establish that plaintiff is entitled to the relief sought (*i.e.*, that Applicant has standing to maintain the proceeding, and that a valid ground

² While the Board may in its discretion consider consolidation of the '323 Proceeding with the instant proceeding, none of the Registrants consent to consolidation. Furthermore, there is not complete identity between the parties in the proceedings, as only Opposer is party to the instant proceeding seeking to oppose Applicant's '957 Application while Daniel Zox and Andrew Zox are defending against cancellation of the '843 Registration in the '323 Proceeding where the '957 Application is not at issue. Opposer's opposition to consolidation has been fully briefed in its reply in the '525 Proceeding and is incorporated by reference herein in its entirety. *See* '525 Proceeding Reply (Dkt. No. 11) at 7-10.

exists for cancelling the subject registration). *See Young v. AGB Corp.*, 47 USPQ2d 1752, 1755 (Fed. Cir. 1998); *Fair Indigo LLC v. Style Conscience*, 85 USPQ2d 1536, 1538 (TTAB 2007); TBMP § 503.02 (2020). Moreover, for fraud claims, Trademark Rule 2.116(a) incorporates the heightened pleading standard set forth in Federal Rule of Civil Procedure 9(b). *See* 37 C.F.R. § 2.116(a).

A. Applicant Failed To State A Claim Of Fraud On The USPTO

Applicant failed to state a claim of fraud regarding the registration at issue. In particular, as discussed below, Applicant failed to set forth any specific allegation that Registrants intended to deceive the USPTO (which they did not)—a required element of any fraud claim—when applying to register the mark ZOX. *See Asian & W. Classics B.V. v. Selkow*, 92 USPQ2d 1478, 1479 (TTAB 2009), citing *In re Bose*, 91 USPQ2d at 1939–40 (“A pleading of fraud on the USPTO must also include an allegation of intent.”). Accordingly, Applicant’s fraud claim is deficient and should be dismissed for failure to state a claim.

“[A] trademark is obtained fraudulently under the Lanham Act only if the applicant or registrant knowingly makes a false, material representation with the intent to deceive the PTO.” *In re Bose Corp.*, 91 USPQ2d at 1941. “[T]he preferred practice for a party alleging fraud in a Board cancellation proceeding is to specifically allege the adverse party’s intent to deceive the USPTO, so that there is no question that this indispensable element has been pled.” *DaimlerChrysler Corp. v. Am. Motors Corp.*, 94 USPQ2d 1086, 1089 (TTAB 2010). While intent may be averred generally under Federal Rule of Civil Procedure 9(b), “the pleadings must [nonetheless] allege sufficient underlying facts from which a court may reasonably infer that a party acted with the requisite state of mind.” *Asian & W. Classics B.V.*, 92 USPQ2d at 1479.

Here, Applicant’s fraud claims are premised only on vague and general allegations. For example, Applicant alleges that Registrants committed an act of fraud when their application

included a sworn declaration signed by the then-attorney of record that “the mark ZOX was first used in commerce at least as early as January 01, 2006, and is now in use in such commerce” in connection with the goods and services recited in the initial application. *See* Petition ¶ 30. Similarly, Applicant makes merely conclusory and threadbare allegations of fraud regarding (i) Registrants’ Section 2(f) claim for acquired distinctiveness, as set forth in Registrants’ Response to Office Action, *see id.* ¶ 31³; and (ii) Registrant’s stated date of first use, as set forth in Registrants’ Response to Office Action, *id.* ¶ 32, and Registrants’ Request for Reconsideration, *see id.* ¶ 33. Further, Applicant states that “[o]n information and belief, Registrants knew the above mentioned statements were false at the time they were made,” *id.* ¶ 37; and, that “[o]n information and belief, Registrants continuously and knowingly made such false statements in order to induce the U.S. Patent & Trademark Office to issue a certificate of registration,” *id.* ¶ 38. Applicant summarily asserts that “[f]or the foregoing reasons, the U.S. Patent & Trademark Office would not have issued Reg. No. 5,268,843 for ZOX—or maintained such registrations [sic]—but for the knowingly fraudulent representations made by Registrants to the U.S. Patent and Trademark Office,” *id.* ¶ 42; and, that “Registrants’ multiple acts of fraud on the U.S. Patent & Trademark Office warrant cancellation of Registrants’ Reg. No. 5,268,843 for ZOX,” *id.* ¶ 43.⁴

³ Paragraphs 31-45 of the Petition are misnumbered as Paragraph 21-35. In this motion, paragraphs are referenced by their proper number.

⁴ Applicant also alleges fraud based on inadequacy of the specimen submitted in ’843 Registration. *See* Petition, ¶ 29. In a separate proceeding involving the parties, the Board *sua sponte* struck Applicant’s fraud claim based on similar allegations against Opposer, stating that “it is well-settled that the adequacy of specimens submitted during the prosecution of an application is solely a matter of ex parte examination and, therefore, does not constitute grounds for opposing the registration of a mark. *See Granny’s Submarine Sandwiches, Inc. v. Granny’s Kitchen, Inc.*, 199 USPQ 564, 567 (TTAB 1978); *see also Century 21 Real Estate Corp. v. Century Life of Am.*, 10 USPQ2d 2034, 2035 (TTAB 1989). When faced with a claim of fraud based on nonuse, the appropriate question before the Board is whether the accused party has

In any case, even if Applicant establishes any inaccuracies regarding Registrants' allegations of use or stated date of first use, as set forth in the application for registration, such inaccuracies would not support a claim for fraud unless Applicant shows that such inaccuracies were a result Registrants' deliberate intent to deceive the USPTO rather than a simple mistake, misunderstanding, or even negligence. *See Metro Traffic Control, Inc. v. Shadow Network Inc.*, 41 USPQ2d 1369, 1373 (Fed. Cir. 1997) ("If it can be shown that the statement was a 'false misrepresentation' occasioned by an 'honest' misunderstanding, inadvertence, negligent omission or the like rather than one made with a willful intent to deceive, fraud will not be found."); *Asian & W. Classics B.V.*, 92 USPQ2d at 1479 ("Pleadings of fraud which rest solely on allegations that the trademark applicant or registrant made material representations of fact in connection with its application or registration which it 'knew or should have known' to be false or misleading are an insufficient pleading of fraud because it implies mere negligence and negligence is not sufficient to infer fraud or dishonesty.") (citing *In re Bose*, 91 USPQd at 1941). Applicant thus failed to allege a specific intent by Registrants to deceive the USPTO, as required under Federal Rule of Civil Procedure 9(b) and *Bose*.

Furthermore, Applicant alleges only generally that "Petitioner has reason to believe that Registrants did not use the ZOX mark in connection with *a portion of* the goods and services listed in Registration '843 ever or at least not until August 2010." Petition ¶ 34 (emphasis added). Applicant alleges no facts, however, regarding which *specific* goods or services are or were allegedly not in use prior to the stated date. Therefore, Applicant fails to allege sufficient underlying facts from which the Board may reasonably infer that Registrants acted with the

established use in commerce as of the filing date of a used based application.... *See Hiraga v. Arena*, 90 USPQ2d 1102, 1107 (TTAB 2009)." *See* Opposition No. 91252817, December 31, 2020 Order (Dkt. No. 26 at 7 n.11.). The Board should order the same in the instant proceeding.

requisite state of mind.

Applicant's allegations that Registrants filed declarations for the purpose of obtaining registration rights to which they supposedly were not entitled also fail to meet the pleading requirements for fraud. *See id.* ¶¶ 30, 32, 42. Merely filing declarations to obtain a registration does not establish an intent to deceive, nor does it lead to that inference. *See In re Bose Corp.*, 91 USPQ2d at 1941 (holding that allegations must be alleged with particularity, rather than by implied expression, and must allege that the applicant knowingly made a false, material representation in the subject application with the intent to deceive the USPTO); *King Auto., Inc. v. Speedy Muffler King, Inc.*, 212 USPQ 801, 803 (CCPA 1981) (confirming that Federal Rule of Civil Procedure 9(b) requires that "pleadings contain [an] explicit rather than implied expression of the circumstances constituting fraud"). Simply stated, without any specific intent to deceive, alleged misrepresentations, even material misrepresentations, in a declaration do not constitute fraud.

Lastly, Applicant's conclusory and disjointed allegation that "Registrants were aware of Petitioner's use in commerce of ZOX in connection with related goods and services at the time it filed the application for Reg. '843," is likewise legally deficient. *See* Petition ¶ 41. To plead fraud, mere knowledge of another party's use of a mark is not equivalent to knowledge of another party's superior rights to that mark. *See Metro Traffic Control, Inc.*, 41 USPQ2d at 1373; *accord Maids to Order of Ohio Inc. v. Maid-to-Order Inc.*, 78 USPQ2d 1899, 1909 (TTAB 2006); *Intellimedia Sports Inc. v. Intellimedia Corp.*, 43 USPQ2d 1203, 1207 (TTAB 1997). A fraud claim based on an alleged false oath regarding the rights of others to use the mark is only viable when the other party's rights were "clearly established, [such as] by court decree or a prior agreement of the parties." *Intellimedia Sports Inc.*, 43 USPQ2d at 1207.

Here, Applicant has not alleged particular facts (nor can it do so) showing that Registrants knew Applicant had “clearly established” and superior rights (which priority Respondents dispute) in the mark ZOX, whether by agreement, consent decree, court order, or otherwise. Therefore, Applicant has failed to adequately plead any fraud claim premised on any fraudulent declarations about the trademark rights of others.

In sum, Applicant’s fraud claim should be dismissed for failure to state all of the required elements, namely, an intent to deceive, as required under *Bose* and the other authorities cited above.

B. Applicant Failed To Plead Fraud With Particularity

Applicant also failed to plead fraud with particularity under Federal Rule of Civil Procedure 9(b). It is well-settled that a proper pleading of fraud requires specific and detailed factual allegations concerning the elements of fraud. *See Asian and W. Classics B.V.*, 92 USPQ2d at 1479 (“[A] petitioner must allege the elements of fraud with particularity in accordance with Fed. R. Civ. P. 9(b), made applicable to Board proceedings by Trademark Rule 2.116(a).”). As shown above, Applicant’s fraud allegations are too vague to meet the heightened pleading standard under Rule 9(b). For example, Applicant merely states that “Petitioner has reason to believe that Registrants did not use the ZOX mark in connection with *a portion of* the goods and services listed in Registration ‘843 ever or at least not until August 2010.” Petition ¶ 34 (emphasis added). Applicant never specifies, however, the goods or services to which this allegation pertains. Therefore, Applicant has failed to satisfy the particularity requirement under Federal Rule of Civil Procedure 9(b).

Further, Applicant’s allegations of fraud concerning Registrants’ (i) nonuse of their mark, *see id.* ¶ 34; (ii) lack of intent to continue to use their mark, *see id.* ¶ 36; (iii) knowledge of the falsity of their statements made to the USPTO, *see id.* ¶¶ 37-38; and (iv) knowledge of

Applicant's use of its mark, *see id.* ¶ 41—are all pleaded only on “information and belief.”

“Pleadings of fraud ‘based on information and belief’ without allegations of specific facts upon which the belief is reasonably based are insufficient.” *NSM Res. Corp. v. Huck Doll, LLC*, 113 USPQ2d 1029, 1034 (TTAB 2014), citing *Asian and W. Classics B.V.*, 92 USPQ2d at 1479.

Allegations like Applicant's based solely on information and belief raise only the mere possibility that supporting evidence may be uncovered and do not constitute pleading of fraud with particularity. *See Exergen Corp. v. Wal-Mart Stores, Inc.*, 91 USPQ2d 1656, 1670 n.7 (Fed. Cir. 2009), citing *Kowal v. MCI Commc'ns Corp.*, 16 F.3d 1271, 1279 n.3 (D.C. Cir. 1994) (“[P]leadings on information and belief [under Rule 9(b)] require an allegation that the necessary information lies within the defendant's control, and . . . such allegations must also be accompanied by a statement of the facts upon which the allegations are based.”).

Accordingly, Applicant's fraud claim should be dismissed for failure to state such claim with particularity under Federal Rule of Civil Procedure 9(b).

IV. PROCEEDINGS SHOULD BE SUSPENDED IN VIEW OF THE POTENTIALLY DISPOSITIVE MOTION

Trademark Rule 2.117 provides that proceedings may be suspended pending disposition of a potentially dispositive motion or upon a showing of good cause.

Opposer's motion to dismiss is potentially dispositive of Applicant's claims in their entirety, or alternatively, Applicant's claim for cancellation based on fraud. Accordingly, Opposer respectfully request that all proceedings not germane to the motion to dismiss be suspended pending disposition of the motion.

V. CONCLUSION

For the foregoing reasons and authorities, Opposer respectfully request that the Board grant Opposer's Combined Motion to Dismiss and Motion to Suspend.

Dated: February 25, 2021
New York, New York

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and complete copy of OPPOSER'S COMBINED MOTION TO DISMISS AND MOTION TO SUSPEND was filed with the United States Patent and Trademark Office via the Electronic System for Trademark Trials and Appeals (ESTTA) and was served on counsel for Applicant by forwarding said copy via email on this 25th day of February 2021 to:

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